

**Regulation 39-21-110. Interest on Overpayments.**

**(1). Rate.** - Interest shall be allowed and paid upon the allowance of a credit or refund of any tax and upon any penalty or interest erroneously or illegally paid at the rate imposed under section 39-21-110.5, C.R.S. 1973.

(a) For the purpose of this section the date of overpayment shall mean the date upon which such tax, penalty and interest was paid or the due date of the return, whichever is later, except that the date of overpayment of wage withholding shall be the 15th day of the seventh month following the close of the taxable year.

(b) Interest on an overpayment will be computed from the date of overpayment of such tax, penalty, or interest to the date the order for refund or credit is issued.

**(3) Refund Paid Within Ninety Days.** - No interest will be paid in any case where the refund of the overpayment is issued by the Department within ninety days of the due date of the return, if the return was timely filed. But see Section 39-22-622, C.R.S. 1973 for filing of personal income tax returns.

**(4) Net Operating Loss.** Interest shall be computed from the close of the taxable year in which the operating loss occurred where the overpayment of income taxes arises from a net operating loss carry-back.